

SENATE BILL REPORT

EHB 2113

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, March 29, 2007

Title: An act relating to objections by cities, towns, and counties to the issuance of liquor licenses.

Brief Description: Regarding objections by cities, towns, and counties to the issuance of liquor licenses.

Sponsors: Representatives Williams, Goodman, Green, Hunt and Simpson.

Brief History: Passed House: 3/13/07, 95-1.

Committee Activity: Labor, Commerce, Research & Development: 3/29/07 [DPA].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass as amended.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Clements, Ranking Minority Member; Franklin, Hewitt, Holmquist, Murray and Prentice.

Staff: Jennifer Strus (786-7316)

Background: The Liquor Control Board (LCB) issues a number of types of liquor licenses. Licenses are good for one year. Before issuing any type of license, the LCB may inspect the premises and consider the applicant's criminal history. The LCB has the discretion to grant or deny the license. The LCB must also notify the city, town, or county, as appropriate. The local jurisdiction may file written objections against the applicant or premises within 20 days after the notice. The objections must include a statement of all facts upon which the objections are based. The LCB may hold a hearing. If the LCB grants a license, it must notify the local jurisdiction.

By rule, the LCB gives local jurisdictions 90 days notice of license renewals. A local jurisdiction may object to a renewal by submitting a letter to the LCB. The letter must state specific reasons and facts that show issuance of the license will detrimentally impact the safety, health, or welfare of the community. If the LCB grants a license or a renewal, the local jurisdiction may request an adjudicatory hearing under the Administrative Procedure Act.

Summary of Engrossed Bill: In determining whether to grant or deny a license or renewal, the LCB must give substantial weight to objections from a local jurisdiction based upon chronic illegal activity associated with the applicant's operation of the premises or any other

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licensed premises or the conduct of applicant's patrons inside or outside the premises. "Chronic illegal activity" is defined as: (1) a pervasive pattern of activity that threatens the public health, safety, and welfare, including, but not limited to, open container violations, assaults, disturbances, disorderly conduct, or other criminal violations, or as documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar records of a law enforcement agency; or (2) an unreasonably high number of citations for driving under the influence associated with the applicant's operation of any licensed premises as indicated by reported statements of patrons to the Washington State Patrol. If the LCB makes an initial decision to deny a license or renewal based on the objections of a local jurisdiction, the LCB may hold a hearing at the request of an applicant. If such a hearing is held, LCB representatives must present and defend the LCB's initial decision to deny a license or renewal.

The LCB may inspect the premises and consider criminal history of renewal applicants as well as new applicants. An administrative violation history with the LCB may be considered for both new and renewal applicants. The requirement that the LCB give notice to local jurisdictions on renewal as well as new applications is placed in statute.

EFFECT OF CHANGES MADE BY RECOMMENDED AMENDMENT(S) AS PASSED COMMITTEE (Labor, Commerce, Research & Development): Clarifies that if an applicant requests a hearing, that hearing must, rather than may, be granted. Removes the reference to the Washington State Patrol and replaces it with the term law enforcement since many jurisdictions rely on local law enforcement rather than the Washington State Patrol.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill provides the LCB with the authority it needs to be more responsive to complaints by local governments about problem bars. This bill codifies the current process used by the LCB when dealing with problematic establishments and it clarifies several areas that were ambiguous. Most local jurisdictions would not ask the LCB to deny or revoke a license without trying to work with the establishment first. The bill has substantial due process requirements in it for the bar, so no place loses a liquor license without having an opportunity to appeal.

OTHER: The LCB needs to take into account the occupancy numbers of the establishment before making a decision regarding a liquor license. The police also need to be accountable in assisting bar owners in policing the area to cut down on problems before they begin.

Persons Testifying: PRO: Representative Williams, prime sponsor; Mark Foutch, Mayor of Olympia; Rick Garza, LCB; Tom Carr, Seattle City Attorney; Bob Sterbank, Olympia City Attorney; Donald Lachman, citizen.

OTHER: Pete Hanning, Red Door.